



BellSouth Telecommunications, Inc.
Suite 2104
333 Commerce Street
Nashville, TN 37201-3300

Charles L. Howorth, Jr.
Regulatory Vice President

615 214-6520
Fax 615 214-8858

January 19, 2001

Mr. David Waddell
Executive Secretary
Tennessee Regulatory Authority
460 James Robertson Parkway
Nashville, Tennessee

RE: Tennessee Regulatory Authority Staff Request, dated December 29, 2000
Docket No. 00-00942, Tariff Filing for CSA TN00-5669-00
Docket No. 00-00945, Tariff Filing for CSA TN00-6830-00
Docket No. 00-00946, Tariff Filing for CSA TN00-7176-00
Docket No. 00-01015, Tariff Filing for CSA TN00-8592-00

Dear Mr. Waddell:

Attached is our response to the TRA Staff's request, dated December 29, 2000 regarding specific language in the Contract Service Arrangements listed above.

We trust this information will be helpful to the Staff in their review of these tariff filings. Please contact me or Paul Stinson at 214-3839 if there are any questions.

Yours truly,

Paul Stinson/for

Attachment

BellSouth Telecommunications, Inc.
TRA Docket No. 00-00942, TN00-5669-00
Docket No. 00-00945, TN00-6830-00
Docket No. 00-00946, TN00-7176-00
Docket No. 00-01015, TN00-8592-00
Request Dated December 29, 2000
Request No. 1
Page 1 of 1

REQUEST: Explain BellSouth's rationale for including reciprocal compensation language in a contract with an enduser?

RESPONSE: BellSouth has included the subject language, with the consent of the Customer, as a precautionary measure. If the subject service is used as contemplated by BellSouth, the Customer, the CSA and the tariff, the Customer will incur no liability for reciprocal compensation or other inter-carrier payments. If, however, the Customer, in combination with a third party carrier or otherwise, engages in a scheme or improper arrangement that artificially creates a reciprocal compensation or other inter-carrier payment claim, the Customer will be responsible for any obligation arising out of such claim. This language is intended to avoid protracted litigation such as occurred in North Carolina where the North Carolina Public Service Commission found that improper claims for reciprocal compensation had been made. See Docket No. P-561, sub 10.

BellSouth Telecommunications, Inc.
TRA Docket No. 00-00942, TN00-5669-00,
Docket No. 00-00945, TN00-6830-00,
Docket No. 00-00946, TN00-7176-00,
Docket No. 00-01015, TN00-8592-00
Request Dated December 29, 2000
Request No. 2
Page 1 of 1

REQUEST: Does BellSouth have reciprocal compensation arrangements with other end-users? If so, please provide copies of such agreements.

RESPONSE: BellSouth generally includes language substantially the same as the subject language in CSAs covering services pursuant to which BellSouth's customers (generally ISPs) facilitate access to the Internet by their own end-user customers. This, or similar language is included under such circumstances throughout the nine-state southeastern region.

BellSouth Telecommunications, Inc.
TRA Docket No. 00-00942, TN00-5669-00,
Docket No. 00-00945, TN00-6830-00,
Docket No. 00-00946, TN00-7176-00,
Docket No. 00-01015, TN00-8592-00
Request Dated December 29, 2000
Request No. 3
Page 1 of 1

REQUEST: Is it BellSouth's position that it can be required by state and/or federal statute to pay a carrier reciprocal compensation absent an interconnection agreement with said carrier?

RESPONSE: As a local exchange carrier, BellSouth's obligations with respect to reciprocal compensation arise out of Section 251(b)(5) of the 1996 Telecommunications Act. As an incumbent local exchange carrier, BellSouth's interconnection obligations arise under Sections 251(a)(1) and (c)(2) of the Act. As a practical matter, the terms pursuant to which reciprocal compensation and/or other relevant inter-carrier compensation are addressed, are contained in written interconnection agreements between BellSouth and third-party carriers.

BellSouth Telecommunications, Inc.
TRA Docket No. 00-00942, TN00-5669-00,
Docket No. 00-00945, TN00-6830-00,
Docket No. 00-00946, TN00-7176-00,
Docket No. 00-01015, TN00-8592-00
Request Dated December 29, 2000
Request No. 4
Page 1 of 1

REQUEST: List and explain all circumstances that would justify the payment of reciprocal compensation by an end-user. In your answer, reference all applicable state and/or federal law that enable and/or require such payments.

RESPONSE: It is BellSouth's position that there are no legitimate, bona fide circumstances under which use of the subject service by the Customer (i.e., the provision of PRI directly by BellSouth to the customer) would generate the obligation to pay reciprocal compensation. Therefore, the only circumstances where an end-user would be required to pay reciprocal compensation would involve the creation or fabrication of an improper arrangement pursuant to which a reciprocal compensation obligation is artificially created.

BellSouth Telecommunications, Inc.
TRA Docket No. 00-00942, TN00-5669-00,
Docket No. 00-00945, TN00-6830-00,
Docket No. 00-00946, TN00-7176-00,
Docket No. 00-01015, TN00-8592-00
Request Dated December 29, 2000
Request No. 5
Page 1 of 1

REQUEST: List all circumstances that would require BellSouth to pay reciprocal compensation to an end-user that is not a telecommunications carrier. In your answer, reference all applicable state and/or federal laws that enable and/or require such payments.

RESPONSE: It is BellSouth's position that there are no legitimate, bona fide circumstances where BellSouth would be required to pay reciprocal compensation to an end-user that is not a telecommunications carrier. As set forth in the response to question 3 above, BellSouth's obligations with respect to interconnection and reciprocal compensation are contained in Section 251 of the 1996 Telecommunications Act. The subject language is intended to eliminate and avoid the possibility that the Customer improperly engages in an arrangement with a telecommunications carrier, resulting in claims that BellSouth incurs a reciprocal compensation obligation with respect to that telecommunications carrier.

BellSouth Telecommunications, Inc.
TRA Docket No. 00-00942, TN00-5669-00,
Docket No. 00-00945, TN00-6830-00,
Docket No. 00-00946, TN00-7176-00,
Docket No. 00-01015, TN00-8592-00
Request Dated December 29, 2000
Request No. 6
Page 1 of 1

REQUEST: Is the reciprocal compensation referred to in these contracts the same reciprocal compensation required by 47 U.S.C. 252(b)(5)?

RESPONSE: Yes.

BellSouth Telecommunications, Inc.
TRA Docket No. 00-00942, TN00-5669-00,
Docket No. 00-00945, TN00-6830-00,
Docket No. 00-00946, TN00-7176-00,
Docket No. 00-01015, TN00-8592-00
Request Dated December 29, 2000
Request No. 7
Page 1 of 1

REQUEST: Are these contracts being filed as an interconnection agreement pursuant to Section 251 of the Federal Telecommunications Act?

RESPONSE: No. They are filed pursuant to TRA Rule 1220-4-1-.07.

BellSouth Telecommunications, Inc.
TRA Docket No. 00-00942, TN00-5669-00,
Docket No. 00-00945, TN00-6830-00,
Docket No. 00-00946, TN00-7176-00,
Docket No. 00-01015, TN00-8592-00
Request Dated December 29, 2000
Request No. 8
Page 1 of 1

REQUEST: Are all or any of the individual terms found in these contracts subject to the 'pick and choose' requirements of the Federal Telecommunications Act, FCC Rules, or FCC Orders? Explain your answer in detail.

RESPONSE: No. The so-called "pick and choose" rules apply only to interconnection arrangements between telecommunications carriers. The subject CSAs are customer service agreements for retail tariffed service and not interconnection agreements between carriers. These CSAs have no effect on the customers' ability to opt in another Authority approved interconnection agreement subject to the provisions of Section 251 and 252 of the 1996 Act.

BellSouth Telecommunications, Inc.
TRA Docket No. 00-00942, TN00-5669-00,
Docket No. 00-00945, TN00-6830-00,
Docket No. 00-00946, TN00-7176-00,
Docket No. 00-01015, TN00-8592-00
Request Dated December 29, 2000
Request No. 9
Page 1 of 1

REQUEST: Could any of the customers of these contracts have filed for arbitration with the TRA pursuant to Section 252 of the Federal Telecommunications Act?

RESPONSE: No. They had the same ability to negotiate a contract that any other retail customer has. Their agreement to the Tennessee Addendum to the CSAs demonstrates that they are well aware that competitors are offering these services in Tennessee.